Workers rendered jobless due to new economic policy

†*71. SHRI JHUMUK LAL BHENDIA: Will the Minister of LABOUR be pleased to state:

(a) whether it is a fact that around more than eighty four thousand workshops have been closed and more than one crore labourers have been rendered jobless as a result of new economic policy;

(b) if so, the steps taken in the interest of labourers in the era of economic liberalisation and whether labour laws in providing justice to labourers are likely to be made more effective; and

(c) if not, the reasons therefor?

THE MINISTER OF LABOUR (DR. SATYANARAYAN JATIYA): (a) to (c) Due to increased competition and rapid technological changes, there has been incidence of closure and consequent loss of jobs especially in certain manufacturing industries which are no longer competitive. Composite data of closure regarding all types of establishments are not maintained. However, according to the latest published information reported by the Labour Bureau 1874 establishments were closed down and 136779 workers were affected from 1991 to 1998. According to provisional information available, from 1999 to May, 2001, 315 establishments were closed affecting 28312 workers. These figures pertain to only those establishments for which information has been received by the Labour Bureau regarding closure under the ID Act.

The Government has taken a number of steps to ensure that interests of workers are protected in the era of economic liberalization. With a view to improving the protection given to workers, the wage ceiling coverage under EPF & MP Act has been enhanced from Rs. 5000 to Rs 6500/-. The ESI scheme has been expanded in new areas for covering more workers. The Government has also enhanced the minimum amount of compensation payable under the Workmen Compensation Act, as well as the ceilling limit on the maximum amount of compensation available under this Act. Announcement regarding "Ashraya Bima Yojana" has been made for extending security cover to organized labour force affected by the impact of the on-going liberalization of the economy. In addition to these measures, the Second National Commission on Labour has been set up on 15th October, 1999 for giving its suggestions in a period of two years on rationalization of labour laws in the organized sector and an umbrella legislation for the unorganized sectors.

†Original notice of the question was received in Hindi.